

\*\*\* NOTE: TO RETURN TO THIS PAGE, CLICK ON THE COUNTY SEAL \*\*\*

CLICK HERE FOR THE CEO'S REPORT DATED MAY 5,2011 ON  
ASSEMBLY BILL 448

CLICK HERE FOR THE CEO'S REPORT DATED JUNE 27, 2011 ON  
DCFS POSITIONS



# County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration  
500 West Temple Street, Room 713, Los Angeles, California 90012  
(213) 974-1101  
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA  
Chief Executive Officer

May 5, 2011

To: Mayor Michael D. Antonovich  
Supervisor Gloria Molina  
Supervisor Mark Ridley-Thomas  
Supervisor Zev Yaroslavsky  
Supervisor Don Knabe

From: William T Fujioka  
Chief Executive Officer

A handwritten signature in dark ink, appearing to read "W. T. Fujioka", is written over the printed name and title.

Board of Supervisors  
GLORIA MOLINA  
First District

MARK RIDLEY-THOMAS  
Second District

ZEV YAROSLAVSKY  
Third District

DON KNABE  
Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

## REPORT BACK TO THE BOARD ON IMPLICATIONS OF STATE ASSEMBLY BILL 448 (ITEM NO. 70-E, BOARD AGENDA OF APRIL 19, 2011)

On April 21, 2011, on a motion by Supervisor Ridley-Thomas, your Board instructed the Chief Executive Officer (CEO) to work with the Assessor, the Treasurer and Tax Collector (TTC), the Registrar-Recorder/County Clerk (RR/CC), and the Auditor-Controller (A-C), and report back to the Board within two weeks with an analysis of the potential impact of passage or failure of Assembly Bill (AB) 448 on the County operations and budget. This analysis was to include:

- a) The potential impact on the assessment, refund, property transfer, and tax collection functions in the departments of the Assessor, TTC, RR/CC, and A-C;
- b) An evaluation of potential cost increases as a result of additional responsibilities including amounts reimbursable to the County for performing any additional responsibilities; and
- c) An evaluation of potential revenue changes as a result of increased tax collections and/or other associated fees.

### Background

Existing property tax law generally provides that a change in ownership and a resulting reappraisal occurs when a legal entity or other person obtains a controlling or majority ownership interest in the legal entity (an interest greater than 50%). Existing law also

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specifies other circumstances in which certain transfers of ownership interests in legal entities result in a change in ownership of the real property owned by those legal entities.

AB 448 would additionally specify that when 100% of the ownership interests in a legal entity, as defined, are sold or transferred in a single transaction<sup>1</sup>, as specified, the real property owned by that legal entity has changed ownership, whether or not any one legal entity or person that is a party to the transaction acquires more than 50% of the ownership interests.

The bill also increases the penalty for not filing the change of ownership notification from 10% to 20%.

#### **Potential Impacts: Assessor**

Presently, the Assessor works in close concert with the State Board of Equalization (BOE) to identify unrecorded corporate changes in ownership via their Legal Entity Ownership Program (LEOP). In this comprehensive statewide program, the BOE gathers information about changes in corporate control and distributes this information to assessors, who then reappraise the affected properties when appropriate. This program has been very successful, with hundreds of millions of dollars added to the Los Angeles County assessment roll. The implementation of AB 448, as presently written, will leave this process intact, but is intended to add to the number of transfers for the Assessor to reassess, thus adding value to the roll. As AB 448 adds an additional circumstance where a legal entity needs to register a change of ownership with the BOE, the BOE may have an increase in their workload.

The duties and responsibilities of the Assessor would remain the same with the possibility of more workload as a result of additional changes in ownership identified by LEOP. We are aware of very few instances where this proposed set of procedures might have resulted in reappraisal. Currently, there is no requirement to monitor these types of events. Therefore, it would be highly speculative and arbitrary to make an estimate of any increased volume. The Assessor is accustomed to changes in their workflow due to fluctuations in the real estate market; whatever increase there might be from this new legislation would not be a hardship.

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<sup>1</sup> "Single transaction" means a transaction in which 100 percent of the ownership interests are sold or transferred in either one calendar year or within a three-year period beginning on the date of the original transaction when any percentage of ownership interests are sold or transferred.

**Potential Impacts: Treasurer and Tax Collector, Auditor-Controller, and Registrar-Recorder/County Clerk**

As with the Assessor, the effects on these departments would also be minimal. The TTC and A-C would need to process a few additional property tax bills each year, which would not be a burden. Since the type of change of ownership addressed by this legislation does not involve the recordation of deeds, the RR/CC would not experience an increase in their document processing workload. They would, however, be involved in collecting documentary transfer tax resulting from the additional number of increased transfers, but this would not affect operations noticeably.

**Potential Cost Increases**

Since most of the effort needed to implement this legislation would fall on the BOE, there are no significant cost increases anticipated for the County.

**Anticipated Revenue Changes**

It is not feasible to accurately predict which properties owned by legal entities would be reassessed to current market value each year as a result of this bill. The legal entity change in control statements processed by the BOE do not capture information that would indicate the number of such transactions that have occurred in the past, nor are such transactions required to be reported. It is the opinion of the BOE, however, that the number would be minimal.

WTF:EFS:  
GS:LM:cg

c:     Executive Office, Board of Supervisors  
       County Counsel  
       Assessor  
       Auditor-Controller  
       Registrar-Recorder/County Clerk  
       Treasurer and Tax Collector



**WILLIAM T FUJIOKA**  
Chief Executive Officer

## County of Los Angeles **CHIEF EXECUTIVE OFFICE**

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June 27, 2011

To: Mayor Michael D. Antonovich  
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Supervisor Mark Ridley-Thomas  
Supervisor Zev Yaroslavsky  
Supervisor Don Knabe

From: William T Fujioka  
Chief Executive Officer

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### **DEPARTMENT OF CHILDREN AND FAMILY SERVICES FISCAL YEAR 2011-12 - RECOMMENDED BUDGET REQUESTED POSITIONS**

On April 19, 2011, the Board of Supervisors discussed Agenda Item No. 70 which was in consideration of the Chief Executive Officer's recommendations related to the Fiscal Year (FY) 2011-12 Recommended Budget. As part of that discussion, Supervisor Yaroslavsky and Mayor Antonovich directed this office to: 1) Defer the recommendation to create 26 new Department of Children and Family Services (DCFS) positions; 2) Transfer the funding associated with the positions to the Provisional Financing Uses; and 3) Report back to the Board in 30 days on the findings of the analysis, done in conjunction with the Department, to determine which positions will be drawn from DCFS vacancies, which require reclassification and how many new positions, if any, need to be created.

DCFS conducted a thorough analysis as to whether current departmental vacancies can be re-prioritized to handle the new assignments for which positions were included in the FY 2011-12 Recommended Budget. As a result of this analysis, all 26 positions were deleted in FY 2011-12 Final Changes. Of the 26 positions, seven were determined to not be needed at this time. Of the remaining 19 positions, DCFS was able to identify an existing similar vacant item for four of the requested positions, and other existing vacant substitute items for the remaining 15 requested positions.

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Each Supervisor  
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As indicated above and identified on the attached chart, the CEO deleted all 26 positions in FY 2011-12 Final Changes. The deletion of the items reduced the Waiver Reinvestment funding that was included in the DCFS Recommended Budget by \$2.3 million, and resulted in \$0.6 million in net County cost being transferred back into the Title IV-E Waiver Reinvestment Provisional Financing Uses account.

If you have any questions or need additional information, please let me know, or your staff may contact Kathy House, Assistant Chief Executive Officer at (213) 974-4530.

WTF:KH:DS  
RT:ljp

Attachment

c: Executive Officer, Board of Supervisors  
Children and Family Services

DCFS Requested Positions.bm

DEPARTMENT OF CHILDREN AND FAMILY SERVICES  
FY 2011-12 RECOMMENDED BUDGET  
ANALYSIS OF POSITIONS REQUESTED

ITEM REQUESTED	VACANT ITEM DELETED	COMMENTS
<b>SB 39</b> 1.0 CHILDREN SERVICES ADMIN II 1.0 CHILDREN SERVICES ADMIN I 1.0 CHILDREN SERVICES ADMIN I 1.0 CHILDREN SERVICES ADMIN I 1.0 CHILDREN SERVICES ADMIN I 1.0 PRINCIPAL APPLICATION DEVELOPER 1.0 SENIOR TYPIST-CLERK	(1.0) SUPERVISING TYPIST-CLERK (1.0) CHILDREN SERVICES ADMIN I (1.0) TRANSCRIBER TYPIST (1.0) SENIOR STATISTICAL CLERK (1.0) SENIOR CLERK (1.0) COMMUNITY WORKER (1.0) SENIOR TYPIST-CLERK	Item added and offset by a substituted vacant item* Item deleted since a like vacancy was found Item added and offset by a substituted vacant item* Item added and offset by a substituted vacant item* Item added and offset by a substituted vacant item* Item added and offset by a substituted vacant item* Item deleted since a like vacancy was found
<b>INTERNAL CONTROL</b> 1.0 ADMINISTRATIVE ASSISTANT III 1.0 ACCOUNTANT III 1.0 PROCUREMENT ASSISTANT II 1.0 ACCOUNTING TECHNICIAN II 1.0 ACCOUNTING TECHNICIAN II	(1.0) ADMINISTRATIVE ASSISTANT III (1.0) INTERMEDIATE TYPIST-CLERK (1.0) INTERMEDIATE TYPIST-CLERK (1.0) INTERMEDIATE TYPIST-CLERK (1.0) INTERMEDIATE TYPIST-CLERK	Item deleted since a like vacancy was found Item added and offset by a substituted vacant item* Item added and offset by a substituted vacant item* Item added and offset by a substituted vacant item* Item added and offset by a substituted vacant item*
<b>OUT-OF-HOME CARE INVESTIGATIONS SECTION</b> 1.0 CHILDREN SERVICES ADMIN III 1.0 SECRETARY III	(1.0) CHILDREN SERVICES ADMIN III (1.0) SECRETARY III	DCFS withdrew this request DCFS withdrew this request
<b>AB12</b> 1.0 CHILDREN SERVICES ADMIN III	(1.0) CHILDREN SERVICES ADMIN III	DCFS withdrew this request
<b>RETURN TO WORK (RTW)</b> 1.0 SNR DEPARTMENTAL PERSONNEL TECH 1.0 SNR DEPARTMENTAL PERSONNEL TECH 1.0 SNR DEPARTMENTAL PERSONNEL TECH 1.0 SNR DEPARTMENTAL PERSONNEL TECH 1.0 SAFETY OFFICER 1.0 SECRETARY III	(1.0) PAYROLL CLERK I (1.0) PAYROLL CLERK I (1.0) INTERMEDIATE TYPIST-CLERK (1.0) INTERMEDIATE TYPIST-CLERK (1.0) SENIOR TYPIST-CLERK (1.0) SECRETARY III	Item added and offset by a substituted vacant item* Item added and offset by a substituted vacant item* Item added and offset by a substituted vacant item* Item added and offset by a substituted vacant item* Item added and offset by a substituted vacant item* DCFS withdrew this request
<b>PROPERTY MGT</b> 1.0 ADMINISTRATIVE SERVICES MGR I 1.0 ADMINISTRATIVE SERVICES MGR I	(1.0) ADMINISTRATIVE SERVICES MGR I (1.0) SUPERVISING TYPIST-CLERK	Item deleted since a like vacancy was found Item added and offset by a substituted vacant item*
<b>EJ Monte</b> 1.0 ASST REGIONAL ADMINISTRATOR 1.0 SENIOR SECRETARY III 1.0 SECRETARY III	(1.0) ASST REGIONAL ADMINISTRATOR (1.0) SENIOR SECRETARY III (1.0) SECRETARY III	DCFS withdrew this request DCFS withdrew this request DCFS withdrew this request

\* Positions that are being substituted are subject to final approval by CEO Classification and Compensation Section.